

AMENDED IN ASSEMBLY MAY 26, 2011

**SENATE BILL**

**No. 62**

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**Introduced by Senator Liu**

January 3, 2011

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An act to amend, repeal, and add Sections 27297.6 and 27387.1 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 62, as amended, Liu. Local government: Los Angeles County: notice of recordation.

(1) Existing law authorizes the Los Angeles County Recorder, following the adoption of an authorizing resolution by the Los Angeles County Board of Supervisors, to mail a notice of recordation to the party or parties executing a deed, quitclaim deed, or deed of trust within 30 days of the recording of one of those documents.

This bill, until January 1, 2015, would modify that authorization to additionally include notice of default or notice of sale, provided by mail by the recorder or a designee of the board, to a party or parties subject to a notice of default or notice of sale of a property, including the occupants of that property, within 5 days, but in any event no more than 20 days, of recordation. If the board of supervisors adopts an authorizing resolution, as specified, the bill would require the County of Los Angeles to submit a report with prescribed information to certain committees of the Legislature on or before January 1, 2014.

(2) Existing law also authorizes the Los Angeles County Recorder to collect a fee for mailing notice of recordation from any party filing a deed, quitclaim deed, or deed of trust, unless that party is a government entity. Existing law prohibits this fee from exceeding the cost of mailing the notice of recordation, not to exceed \$7.

This bill, until January 1, 2015, would additionally authorize the recorder to collect a fee for notice of recordation from any party other than a government entity that files a notice of default or notice of sale. The bill would also authorize the recorder to use a portion of the collected fee to pay the actual cost, if any, of providing information, counseling, and assistance to a person who receives the notice. *The bill would authorize administrative costs incurred by the recorder to be included as a portion of the actual costs that comprise the fee, as specified.*

(3) This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 27297.6 of the Government Code is  
2 amended to read:

3 27297.6. (a) (1) Following adoption of an authorizing  
4 resolution by the Los Angeles County Board of Supervisors, the  
5 Los Angeles County Recorder, or a designee or designees  
6 authorized by the board of supervisors, may notify the following  
7 by mail:

8 (A) The party or parties executing a deed, quitclaim deed, or  
9 deed of trust, within 30 days of recordation.

10 (B) The party or parties subject to a notice of default or notice  
11 of sale, including the occupants of that property, within 5 days,  
12 but in any event no more than 20 days, of recordation.

13 (2) The recorder may require, as a condition of recording, that  
14 a deed, quitclaim deed, deed of trust, notice of default, or notice  
15 of sale indicate the assessor's identification number or numbers  
16 that fully contain all, or a portion of, the real property described  
17 in the legal description. If the description contains more than one  
18 assessor's parcel, all assessor's parcels shall be indicated. The  
19 form of the entry shall be substantially as follows: Assessor's  
20 Identification Number \_\_-\_\_-\_\_.

21 (b) This section shall not apply to the recordation of any  
22 document where the federal government, or state, county, city, or  
23 any subdivision of the state acquires title.

1 (c) The failure of the county recorder to provide the notice as  
2 permitted by this section shall not result in any liability against  
3 the recorder or the county. In the event that the notice is returned  
4 to the recorder by the postal service as undeliverable, the recorder  
5 is not required to retain the returned notice.

6 (d) Where the county recorder contracts with any party or parties  
7 for the performance of the processing or the mailing of the notice,  
8 or both, as authorized by this section, the contract shall be awarded  
9 by competitive bid. The county recorder shall solicit written bids  
10 for the contract in a newspaper of general circulation in the county,  
11 and all bids received shall be publicly opened and the contract  
12 awarded to the lowest responsible bidder. If the county recorder  
13 or his or her designee deems the acceptance of the lowest  
14 responsible bid is not in the best interest of the county, all bids  
15 may be rejected.

16 (e) If the board of supervisors adopts an authorizing resolution,  
17 pursuant to subdivision (a), that includes notification of the parties  
18 described in subparagraph (B) of paragraph (1) of subdivision (a),  
19 the County of Los Angeles shall, on or before January 1, 2014,  
20 submit a report to the Senate Committee on Judiciary and the  
21 Assembly Committee on Local Government that shall include, but  
22 not be limited to, the following information:

23 (1) A copy of each type of notice mailed pursuant to  
24 subparagraph (B) of paragraph (1) of subdivision (a).

25 (2) The number of filed notices of default and notices of sale  
26 for which a fee was collected pursuant to Section 27387.1.

27 (3) The amount of fees collected, pursuant to Section 27387.1,  
28 for the filing of notices of default and notices of sale.

29 (4) The amount of fees spent to provide housing information,  
30 counseling, and assistance, described in Section 27387.1.

31 (f) This section shall remain in effect only until January 1, 2015,  
32 and as of that date is repealed, unless a later enacted statute, that  
33 is enacted before January 1, 2015, deletes or extends that date.

34 SEC. 2. Section 27297.6 is added to the Government Code, to  
35 read:

36 27297.6. (a) Following adoption of an authorizing resolution  
37 by the Los Angeles County Board of Supervisors, the Los Angeles  
38 County Recorder may, within 30 days of recordation of a deed,  
39 quitclaim deed, or deed of trust, notify by mail the party or parties  
40 executing the document. The recorder may require, as a condition

1 of recording, that a deed, quitclaim deed, or deed of trust indicate  
2 the assessor's identification number or numbers that fully contain  
3 all, or a portion of, the real property described in the legal  
4 description. If the description contains more than one assessor's  
5 parcel, all assessor's parcels shall be indicated. The form of the  
6 entry shall be substantially as follows: Assessor's Identification  
7 Number \_\_\_\_-\_\_\_\_-\_\_\_\_.

8 (b) This section shall not apply to the recordation of any  
9 document where the federal government, or state, county, city, or  
10 any subdivision of the state acquires title.

11 (c) The failure of the county recorder to provide the notice as  
12 permitted by this section shall not result in any liability against  
13 the recorder or the county. In the event that the notice is returned  
14 to the recorder by the postal service as undeliverable, the recorder  
15 is not required to retain the returned notice.

16 (d) Where the county recorder contracts with any party or parties  
17 for the performance of the processing or the mailing of the notice,  
18 or both, as authorized by this section, the contract shall be awarded  
19 by competitive bid. The county recorder shall solicit written bids  
20 for the contract in a newspaper of general circulation in the county,  
21 and all bids received shall be publicly opened and the contract  
22 awarded to the lowest responsible bidder. If the county recorder  
23 or his or her designee deems the acceptance of the lowest  
24 responsible bid is not in the best interest of the county, all bids  
25 may be rejected.

26 (e) This section shall become operative on January 1, 2015.

27 SEC. 3. Section 27387.1 of the Government Code is amended  
28 to read:

29 27387.1. (a) In addition to any other recording fee, the  
30 recorder, pursuant to Section 27297.6, may collect a fee from the  
31 party filing a deed, quitclaim deed, deed of trust, notice of default,  
32 or notice of sale, unless that party is a government entity. The fee  
33 shall not exceed the mailing cost of the notice specified in Section  
34 27297.6 and the actual cost, if any, to provide information,  
35 counseling, or assistance to a person who receives the notice, not  
36 to exceed seven dollars (\$7).

37 (b) *The actual costs comprising the fee described in subdivision*  
38 *(a) may include administrative costs incurred by the recorder in*  
39 *performing the actions described in that subdivision. However,*

1 *the administrative costs shall not exceed 10 percent of the total*  
2 *fee collected pursuant to subdivision (a).*

3 ~~(b)~~

4 (c) This section shall remain in effect only until January 1, 2015,  
5 and as of that date is repealed, unless a later enacted statute, that  
6 is enacted before January 1, 2015, deletes or extends that date.

7 SEC. 4. Section 27387.1 is added to the Government Code, to  
8 read:

9 27387.1. (a) In addition to any other recording fee, the recorder  
10 may collect a fee from the party filing a deed, quitclaim deed, or  
11 deed of trust, other than a government entity, pursuant to Section  
12 27297.6. The fee shall not exceed the mailing cost of the notice  
13 specified in Section 27297.6, not to exceed seven dollars (\$7).

14 (b) This section shall become operative on January 1, 2015.

15 SEC. 5. The Legislature finds and declares that a special law  
16 is necessary and that a general law cannot be made applicable  
17 within the meaning of Section 16 of Article IV of the California  
18 Constitution because the County of Los Angeles is experiencing  
19 a foreclosure and real estate fraud crisis, as discussed in the  
20 county's "Report and Recommendations to Address Foreclosures  
21 and Real Estate Fraud" issued March 17, 2009, that necessitates  
22 additional authority for the county to provide notice of the  
23 recording of certain foreclosure-related real property transactions  
24 to interested parties.